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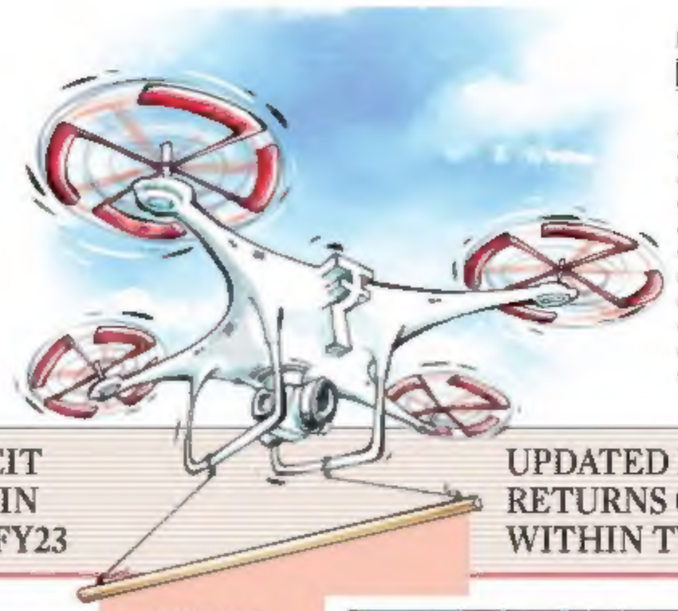

UNION BUDGET 2022-23 DECODED

35% RISE IN CAPEX TO ₹7.5 LAKH CR TO CREATE JOBS | COMES AT THE COST OF CUT IN MGNREGA OUTLAY, DIVESTMENT TARGET | FISCAL DEFICIT SEEN AT 6.9% IN FY22; 6.3% IN FY23 | UPDATED INCOME TAX RETURNS CAN BE FILED WITHIN TWO YEARS

PRUDENTIAL POLICY

₹39.45L cr

BUDGET SIZE

Up from ₹37.70L cr outlay last year as per revised estimates, of which capital spend was ₹6.03L cr

SUMITHA NATTI

MOST budgets are imperfect due to their disease to please. Likewise, recession or pandemic budgets are seldom a crackerjack. But on Tuesday, Finance Minister Nirmala Sitharaman came out with both the barrels to present Budget 2023.

As a whole, it's great, but is 'budget dust' as a sum of the parts.

The economy has a fever and one could adjust the budget like a thermostat, but Sitharaman, coming from a school of hard knocks handling crisis after crisis, concluded that body temperature is not a cause, but a symptom.

So positioning herself as an FM for hard times, she prescribed a medicine of moderate government expenditure, but with a phenomenal 24% increase in capital expenditure, or 2.9% of GDP—the highest-ever increase — and should help create jobs for the boys.

She outlined a grandiose India@100 blueprint, but that only merits a polite golf clap.

Critics remind about the Hippocratic oath, where a doctor's first duty is to do no harm and how the sovereign's little purse can be a heavy curse. Even if we ignore the limited pandemic-related stimulus as chopped liver, Tuesday's expenditure budget makes one wonder if Sitharaman is indeed taking knives to a gunfight.

Among sectors, education, and infrastructure all got their due, but the absence of doubling of farmers income remained a mystery meat, while a toned-down privatisation pitch was the ghost at the feast. India's proposed own digital currency and cryptocurrencies taxation is welcome, though the latter's legitimacy is still grey.

In all, FY23 expenditure will crawl 4.6% to ₹39.45 lakh crore. The increase is much lower than the projected FY23 nominal growth of 11.1%, which itself is dispiriting. Agreed, being economical wins over extravagance, still, it's unfathomable why it should be a walk on the financial high wire when revenue is more than handsome. Is it because the FM sees conservatism, not generosity, as its own form of power?

Fiscal deficit will reduce to 6.4% of GDP in FY23, largely due to revenue expenditure compression. Tax collections were stellar in FY22, yet next fiscal growth is pegged at a lowly 9.6%. Perhaps, the government believes that it's better to have modest targets and outperform than missing them altogether. Should we strike a gold vein next year, will Sitharaman splurge or settle for the Confucian ideology: When prosperity comes, do not use all? It's down to the wire.

Disinvestment targets are revised downwards this fiscal. Instead of taking a second bite of the cherry, Sitharaman tempered FY23 proceeds too, which policywatchers believe will be a walk in the park simply with offers for sale. As for strategic stake sales, the hour grows late.

A 25-year blueprint is nice and costs nothing. But for households, prices of everything are rising. Could the FM have done more for the marginal taxpayer and spur consumption? Hell, yes. If not direct taxes, at least fuel tax reductions would have given us a momentary thrill. But there's no such luck as budget lacks both small and big bang reforms. It neither favoured populism ahead of Assembly elections, which is laudable.

In sum, economies are often in a disequilibrium, and no FM's work is ever complete. It may be a folly to view Budget 2023 in isolation, but as a five-part doctrine, it commands a credible aura. For now, it may be wise to stick with prudence and fortitude. But in economics, virtues can become vices and so it's only fair for Sitharaman to be ready with her seven-league boots.

MORE ON: P9,10,11,12,13

SOUMYADIP SINHA

Record borrowing from market

₹11.6L cr

This is nearly ₹3 lakh crore higher than the current year's revised estimate of ₹8.8 lakh crore. Total market borrowings for 2022-23 are estimated at ₹11,58,719 crore. Gross borrowing for next financial year will be the highest-ever at ₹14,95,000 crore as against ₹12,05,500 crore Budget Estimate for 2021-22

KISAN DRONES

To be used for crop assessment, digitisation of land records, spraying insecticides

₹2.37L cr

allocated for minimum support price mechanism in 2021-22 covering 1,208 lakh tonnes from 163 lakh farmers

Chemical-free natural farming to be promoted. To be tried out in 5 km wide corridors along the Ganga in the first stage

Public-private partnership plan for delivery of digital and high-tech services to farmers

BATTERY SWAPPING

New battery swapping policy coming for electric vehicles to address space constraints for setting up charging stations

CHEAPER, COSTLIER

Pay more for headphones, earphones, loudspeakers, smart meters, imitation jewellery, solar cells, solar modules as basic customs duty is to be increased to promote domestic manufacturing. But imported cut and polished diamonds, frozen mussels, frozen squids, asafoetida, cocoa beans, methyl alcohol and acetic acid will become cheaper due to rationalisation in customs duties

The Budget aims to ensure pucca house, toilet, tap water and gas connection for every poor household... brings more infra, more investment, more growth and more jobs

Narendra Modi, Prime Minister

Presented in the shadow of the pandemic, the Budget has foresight of bringing the economy on track

Basavaraj Bommai, Chief Minister

Budget speech by the Union Finance Minister is full of hollowness and nothing but jugglery of words

K Chandrashekar Rao, Telangana chief minister

Why are those who amassed super-profits during the pandemic not being taxed more?

Sitaram Yechury, CPI(M) general secretary

Modi government's zero-sum budget! Nothing for salaried class, middle class, the poor and deprived

Rahul Gandhi, Congress leader

30% tax for crypto assets

Finance Minister Nirmala Sitharaman said only RBI-issued 'Digital Rupee' will be recognised as currency and the government will levy 30 per cent tax on gains made from any other private digital assets from April 1, shorthand for cryptocurrency and non-fungible tokens. She also proposed a 1% TDS on payments towards virtual currencies beyond ₹10,000 in a year and taxation of such gifts in the hands of the recipient | P10

₹48,000 cr for affordable homes

Sitharaman announced the allocation of ₹48,000 crore for completion of 80 lakh houses under the Pradhan Mantri Awas Yojana in both rural and urban areas in financial year 2022-23. The Centre will work with states for speedy land acquisition and approvals for construction, to promote affordable housing for middle-class and economically weaker sections in urban areas, she said. It one of the flagship BJP schemes | P9

Digital university, 200 channels

Allocation to the education sector has been increased to ₹1,04 lakh crore for FY23, up from FY22's budget estimate of ₹93,224 crore. The FM also proposed to set up a digital university to offer world-class education to Indian students in regional languages. The 'one class-one TV channel' programme, which currently has 12 channels, will be raised to 200 channels to provide supplementary education in schools | P9

68% local defence procurement

The budget has earmarked ₹5.25 lakh crore for defence spending, up from last year's ₹4.78 lakh crore with a major push on procurement from domestic players as well. Sitharaman said 68% of the outlay for procurement will be set aside for buying from domestic industry and 25% of the allocation for defence research and development will be kept for collaboration with the private sector | P11

400 Vande Bharat trains in 3 yrs

Railways has been allocated budgetary support of ₹1.4 lakh crore, which is ₹20,311 crore more than the revised figures of FY22. Overall, the national transporter is set to get a capex push of ₹2.45 lakh crore in FY23, which is 14% higher than the budgeted capital expenditure of ₹2.15 lakh crore for FY22. Sitharaman said India will manufacture 400 new, energy-efficient Vande Bharat trains over the next three years | P10

NIMHANS to heal mental scars of Covid-hit nation

CHETANA BELAGERE & RANJANI MADHAVAN
@ Bengaluru

FINANCE Minister Nirmala Sitharaman announced in the Union Budget on Tuesday that the National Institute of Mental Health and Neurosciences (NIMHANS) in Bengaluru has been chosen as the the nodal centre for a national tele mental health programme, for which the technology support will be provided by the International Institute of Information Technology Bangalore. She said that the initiative will provide the much-needed mental health support to people of all ages who have been affected by the Covid pandemic.

The programme will include a network of 23 centres of excellence with NIMHANS being the nodal centre. It is expected to help lakhs of people across the country who have been adapting to physical, psychological and economic changes over the last two years of the pandemic.

Mental health experts lauded the budget's focus on mental health, saying it is the need of the hour. NIMHANS Director Dr Pratima Murthy told The New Indian Express, "This programme is a welcome move as there is a shortage of specialists in mental health care and there is a treatment gap for various disorders such as psychosis, anxiety, depression, substance use, etc."

She explained that it is a challenge as people in the country do not have a treatment-seeking behaviour when it comes to mental health issues.

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INSIDE

ENGINES OF GROWTH HARNESSED; DIRECT RELIEF GIVEN THE GO-BY | P6

DESPITE COVID, UNFAIR TREATMENT FOR HEALTHCARE SECTOR | P9

IN A FIRST, BUDGET 2022-23 TALKS ABOUT CLIMATE ACTION | P10

Sabse Pehle Life Insurance
Invest in LIC's Jeevan Akshay VII
Invest in lifelong Happiness
• Plan: Single Premium Immediate Annuity Plan
• Multiple Options: 10 Annuity options to choose from
• Flexible Annuity Payments: Monthly, Quarterly, Half-yearly or Yearly
• Age Eligibility: Min. Age at Entry: 30 years (Completed)
Max. Age at Entry: 100 years (Completed) for option F,
85 years (Completed) for all options except option F
• Annuity Rates are Guaranteed
Sample Illustration: Age - 50, Annuity payable - Yearly, Mode - Offline
Purchase Price* | 25 Lac | 50 Lac | 1 Crore | 5 Crore
Option A | 1,79,750 | 3,60,250 | 7,21,500 | 36,07,500
Option F | 1,46,250 | 2,93,250 | 5,87,500 | 29,37,500
Option J | 1,45,500 | 2,91,750 | 5,84,500 | 29,22,500
*Plus applicable tax as per rules Figures in Rupees
LIC's JEEVAN AKSHAY VII
A Non-Linked, Non-Participating, Individual Immediate Annuity Plan
UIN- 512N337V02 Plan No. 857
Option A
Annuity for Life
Option F
Annuity for Life with Return of Purchase Price
Option J
Joint Life Annuity with a provision for 100% of the annuity payable as long as one of the Annuitant survives and Return of Purchase Price on death of last survivor
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EXPRESS READ

SC sets aside 3 Delhi HC orders on Amazon

New Delhi: In a big relief to Future group, the Supreme Court on Tuesday set aside three Delhi High Court orders including attachment of properties of the firm. | P7

Abducted Arunachal teen reunited with family

Itanagar: Miram Taron, who was allegedly abducted by the People's Liberation Army of China from Arunachal Pradesh, has been reunited with his family.

India nominates Hoysala temples of Karnataka for heritage tag

Hassan: The world famous Hoysala temples of Belur, Halebid and Somnathapura in Karnataka have been finalised as India's nomination for world heritage sites for 2022-23. Vishal V Sharma, permanent representative of India to UNESCO, submitted the nomination to the UNESCO director on Monday. P2

JAB-O-METER
TAKE YOUR SHOT
Jan 31 53,58,782 doses
Feb 1 50,63,394 doses
TOTAL: 1,04,22,503

NATIONWIDE	JAN 31	FEB 1
Fresh cases	2,09,918	1,67,059
Recoveries	2,62,628	2,54,076
Deaths	959	1,192

KARNATAKA	JAN 31	FEB 1
Fresh cases	24,172	14,366
Recoveries	30,869	60,914
Deaths	56	58